There is no major problem being faced by the plant in increasing its capacity utilisation. However, the operations in the current year have been constrained by prevailing sluggish market conditions.

(b) to (d) Rashtriya Ispat Nigam Limited (Visakhapatnam Steel Plant) has proposed to take up expansion of the Plant from 3 million stage to 4.05 million stage of Liquid Steel production at an estimated cost of Rs. 984 crores (base date of last Quarter 1994-95). The expansion is proposed to be implemented in two phases during 9th Plan period. The expansion will be funded by Visakhapatnam Steel Plant from their own internal resources as well as commercial borrowings. An outlay of Rs. 1029 crores has been provided for the new schemes of Visakhapatnam Steel Plant during 9th Plan period.

Requirement of Sponge Iron

1608. SHRI SANJAY NIRUPAM: Will the Minister of STEEL be pleased to state:

(a) the requirement of sponge iron in the country as on date and the actual production thereof;

(b) the details of gas based sponge iron projects in private sector cleared during last three years, year-wise with details of estimated production therefrom;

(c) whether it is a fact that requisite amount of natural gas supply is not available for sponge iron industry;

(d) if so, the details of such shortage; and

(e) the steps taken to meet the requirements of this thrust area of industry?

THE MINISTER OF STEEL & MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) The demand of Sponge Iron in the country during 1996-97 has been estimated as 3.68 million tonnes. As on 3.3.97, the production of sponge iron has been estimated as 4.427 million tonnes.

(b) Barring certain locational restrictions, no prior approval of the Government is required for establishing gas based sponge iron projects in terms of New Industrial Policy announced in July, 1991. Accordingly, no industrial licence has been issued during last 3 years for setting up gas based sponge iron plants. However, the details of gas based sponge iron plants set up during the last three years are as under:—

(Million tonnes)

Name	Annual Capacity	Production		
		1993-94	1994-95	1995-96
1. M/s. Vikram Ispat	0.75	0.085	0.417	0.347
2. M/s. Nippon Denro Ispat Limited.	1.00	—	0.446	1.105

(c) to (e) Requests of additional allocation for expansion/new capacity have been received. However, as per information received from the Ministry of Petroleum & Natural Gas, the gas projected to be available is fully allocated and therefore, it is not feasible to consider further allocations to the sponge iron sector.